

Exhibit 65

Phone Conversation with Bernard Madoff

Date: June 4, 2008
Attendees: Bernard Madoff
Amit Vijayvergiya
Gordon McKenzie
Bjorn Axelsson
Disha Attavar

Meeting Minutes

Q) How much performance assurance do you require from each counterparty that sells you puts? Is it 100% of notional (or market) value of the put sold? Or some other initial percent? Do you require them to post variance margin? How frequently? Daily (same night or next day and if next day, when? Weekly (before the end of Friday or on Monday)?

The counterparties that sell puts have to post t-bills as performance assurance.
This is MTM on a daily basis.
The minimum standard is 10%; however BLM requires that the counterparty post 15 to 20%.
The options do not move enough for any variance margin to be posted.
Only those counterparties that post performance assurance are used by BLM.
These t-bills are held DTC.

Q) Counterparty exposure limits?

Max 10% net exposure to any one counterparty.
If one counterparty fails, all clients would have a proportional share.
BLM acts as agent in the options transactions.
All accounts are pooled and traded together.

Q) At what point are the puts traded?

The puts are done simultaneously with the stock basket.
The stock basket is never on without put protection. Maybe an hour, nothing significant.
BLM gets commitments for puts beforehand and they are done at the same time as the stock basket.
Options counterparties are different from stock counterparties.
Even during options roll, there will never be a situation without puts.

Q) Does BLM have to post performance assurance?

BLM does not have to post performance assurance since the calls are covered by the stock basket. Broker dealers are not required to post performance assurance.

- Clients make the assumption that they have a certain amount of exposure. 5% exposure on the portfolio based on the models.
- Counterparty risk is eliminated since t-bills are posted. MTM daily. Therefore, counterparty risk is not an issue.
- Puts simultaneous as stock basket.
- Calls are legged into.

Bernard Madoff reiterated the fact that he does not want us to disclose too much information to our clients. He mentioned that no one provides this amount of transparency. He believes that clients are not entitled to know detailed information. They do not need to know details about when he trades and timing of trades.

AV mentioned the information that Luxalpha provides (trade dates, timing etc.). Bernard Madoff mentioned that he cannot stop the information from being sent out, but he would prefer to just provide basic information.

BA comments

1st Q) I thought that derivative dealers weren't required to post any collateral/margin under normal circumstances (you mentioned a minimum standard of 10%).

3rd Q) Additional comment: The stocks in the stock basket are bought at the same time so that correlation with OEX stays above 95%.

4th Q) I thought that BLM as a company assured counterparties that calls were covered but not by using the stocks held in the stock basket.

He also mentioned that he trades the options with broker dealers, derivative dealers and institutional investors.